

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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MAR 16 1995

In the Matter of)
)
Establishment of a Funding Mechanism)
for Interstate Operator Assistance)
for the Deaf)
)
Petition for Rulemaking of)
Southwestern Bell Telephone Company)

RM No. 8585

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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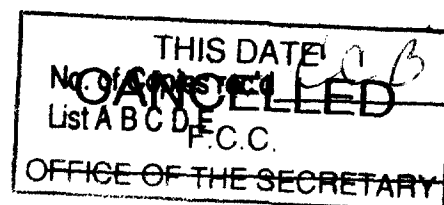
COMMENTS IN SUPPORT OF SOUTHWESTERN BELL'S PETITION

GTE Service Corporation ("GTE") on behalf of its telephone operating companies, pursuant to Section 1.405 of the Commission's Rules,¹ hereby files its comments in support of the above-captioned petition filed by Southwestern Bell Telephone Company ("SWBT").

I. BACKGROUND

The SWBT Petition requests that the Federal Communications Commission ("FCC" or "Commission") initiate a rulemaking proceeding to establish a funding mechanism to recover the costs incurred in the provision of interstate operator assistance for the deaf ("OAD"). As SWBT explains, OAD is a service for hearing or speech impaired customers using text telephones or similar devices to communicate with other hearing or speech impaired customers over the public switched telephone network. The need for OAD primarily arises when hearing or speech impaired customers desire to bill a call to an account

¹ 47 C.F.R. § 1.405.
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other than the customer's billing number, for example, when the customer is away from their usual terminal device. In this situation, operator assistance is necessary to collect and validate customer billing information. OAD may also be necessary for other services such as directory assistance, receipt of recorded announcements, or credit for service difficulties.²

According to SWBT, the need for federal funding for OAD has arisen in light of AT&T's recent decision to begin charging local exchange carriers ("LECs") for the provisioning of OAD.³ SWBT states that AT&T alone has provided OAD for local, intraLATA and interLATA calls since divestiture. It alleges that the charges AT&T is assessing upon SWBT for OAD services are several times more than the revenue SWBT can expect to earn from OAD services.

SWBT states that it has agreed to pay AT&T's charges for OAD in 1995, but questions whether it will be able to continue to do so in the future without some cost assistance. It argues that unless federal funding is made available to help recover interstate OAD costs, SWBT may no longer be able to afford to provide OAD for hearing and speech impaired customers.⁴

SWBT recommends that the Commission establish a fund to be administered by the National Exchange Carrier Association ("NECA"). It

² SWBT Petition at 1-2.

³ AT&T has stated that it will no longer provide OAD unless SWBT pays AT&T's charges. SWBT Petition at 2.

⁴ SWBT Petition at 3.

suggests that the fund be based on revenues from subscribers for interstate service, and be funded by a charge assessed upon all common carriers offering interstate telecommunications services, based on the carrier's relative share of nationwide interstate message telephone service ("MTS") revenues. SWBT envisions that the revenues reported by LECs for computation of the charge would be only those associated with interstate intraLATA MTS and should not include interstate access revenues.⁵

II. DISCUSSION

GTE supports SWBT's petition for rulemaking. In general, GTE looks with skepticism upon efforts to create additional federal funding programs. With the advent of competition in all telecommunications markets, GTE has supported both federal and state initiatives to remove unnecessary subsidies. GTE believes that rate subsidies or funding programs should be targeted to support specific programs and that funding for such programs should be spread equitably upon competing service providers.

Nevertheless, SWBT makes a persuasive case that interstate OAD might be a candidate for federal funding. SWBT notes in its petition that OAD meets a public need for the speech and hearing impaired community. The costs identified by AT&T as being incurred in providing interstate OAD, however, would appear to far exceed any revenues that LECs can expect to derive from

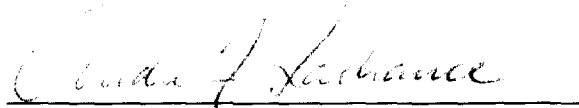
⁵

SWBT Petition at 3-4.

the service. Accordingly, GTE supports SWBT's petition to open a rulemaking proceeding to consider a federal funding mechanism for OAD.

Respectfully submitted,

GTE Service Corporation and its domestic
telephone operating companies

A handwritten signature in cursive script, reading "Andre J. Lachance", is written over a horizontal line.

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March 16, 1995

Their Attorney

Certificate of Service

I, Judy R. Quinlan, hereby certify that copies of the foregoing "Comments in Support of Southwestern Bell's Petition" have been mailed by first class United States mail, postage prepaid, on the 16th day of March to the following party:

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Judy R. Quinlan